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C O N F I D E N T I A L KUWAIT 004451

SIPDIS

STATE FOR NEA/FO, NEA/ARP, NEA/NGA

E.O. 12958: DECL: 09/27/2013

TAGS: [PREL](#), [EAID](#), [IZ](#), [KU](#)

SUBJECT: (U) COMPENSATION REMARKS PROVOKE FIRESTORM,
COMPLICATE GOK SUPPORT FOR IRAQ

Classified By: Ambassador Richard H. Jones for reasons 1.5 (b) and (d)

[11](#). (U) NIACT Immediate due to need for earliest possible Washington action. See para 7 for action request.

[12](#). (C) Summary: Kuwaiti MP's have over-reacted predictably to Ambassador Bremer's September 26 remarks suggesting Kuwait and Saudi Arabia give up compensation claims against Iraq. This is likely to complicate efforts to get the GOK to pledge generous support for Iraqi reconstruction. Post recommends an immediate press release clarifying that there has been no change in official USG policy on the issue of compensation payments. End Summary.

[13](#). (C) Kuwaiti dailies ran numerous articles on September 28 in which MP's denounced the idea of giving up compensation claims against Iraq. Every MP Poloff encountered during a September 28 visit to the National Assembly said Kuwaitis are misinterpreting Ambassador Bremer's September 26 remarks at a Pentagon press conference as a change in official USG policy, and they were very concerned this could affect the GOK's ability to maintain support for coalition efforts in Iraq.

[14](#). (C) Responding to Poloff's reminder that the USG had fought to maintain the current 5% allocation of Iraqi oil revenues to the UN Compensation Commission (UNCC), MP Ahmed Al-Mulaifi (Independent) said he was aware that the USG had been supportive of Kuwait's position on this issue, but the Kuwaiti public was not. Mulaifi said he had just come from a meeting at the Ministry of Interior where officials discussing Bremer's remarks were contrasting them to US demands that Libya pay compensation to the families of Lockerbie victims, and finding them hypocritical.

[15](#). (C) Mulaifi urged the Embassy and/or USG to quickly counter the spread of this misinformation by issuing a press statement specifying there has been no change in US policy on compensation payments. He said that failure to do so could lead to a diminution of support by MPs and the general public for GOK efforts to assist the coalition in Iraq. Mulaifi also indicated that opponents of the GOK will use this opportunity to attack it for its close cooperation with the United States.

[16](#). (C) COMMENT: Iraqi compensation for the deprivations of the 1990-91 Iraqi occupation is one of the most sensitive issues in Kuwait. The USG position, to our knowledge, remains consistent with UNSCR 1483, which cut the UNCC's share of Iraqi oil revenues by 80 percent but preserved the all-important principle of compensation. At minimum, this issue should be the subject of frank but discreet diplomatic engagement, and handled in such a way that the GOK would be able to garner international credit for magnanimity. Kuwait has supported the liberation of Iraq more generously relative to the size of its economy than any other country, including the US. It is in our interest to keep the GOK feeling like a full partner whose contributions are fully understood and deeply appreciated.

[17](#). (C) Action Request: Unless otherwise instructed, Embassy intends to issue a local press release along the following lines at 10:00 a.m. local on September 29:

- USG policy on Iraq's fulfillment of its international obligations, as established by UNSC Resolutions, has not changed.

- UNSCR 1483, which we drafted, reaffirmed the principle of compensation for the deprivations of Iraq's occupation of Kuwait.

- The international community has a shared interest in seeing that the new Iraq is securely established on the path to prosperity. We urge all members of the international community to work together to achieve this goal as quickly as possible.

We also recommend the Department's Press Spokesman be prepared to respond to questions on the topic at the 9/29 Noon press briefing.

[18](#). (U) Baghdad minimize considered.
JONES